

NEWS



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POWER PLANT DEVELOPMENT CONTINUES AT HOLCOMB

HAYS, KS—Sand Sage Power LLC, a wholly-owned subsidiary of Sunflower Electric Power Corporation, continues to work on the development of a new coal-fired generating station that will be located adjacent to Sunflower's existing plant south of Holcomb, Kansas.

Holcomb 2 (H2) will be capable of generating 600 MW when it enters commercial service. Its commercial operation date (COD) is currently projected to occur in the spring of 2008. When COD occurs, Sand Sage estimates that the plant will cost nearly one billion dollars and produce an enormous and continuing economic benefit for the region.

Potential customers with total requirements of considerably more than 600 MW are in the advanced stages of considering participation in the project. Sand Sage entered into confidentiality agreements with all of these customers and cannot disclose their names.

Sunflower's intention is to operate it for its owners for a fee, and to gain significant economic benefits from the economies of scale that the larger operation will bring to the six western Kansas distribution cooperatives that own Sunflower.

Having resolved the most difficult technical issues facing the project—siting, environmental permitting and water resources—H2 is now leading the pack of the nation's large coal generation projects now being developed.

This project builds on the foresight of Sunflower's board of directors who had the vision of additional generation at the Holcomb site when they caused H1 and its supporting infrastructure (coal handling, ash disposal, water treatment, etc.) to be designed to accommodate other units. H2 will share many "common facilities" with H1 and it will enjoy significant economic advantages over other stand-alone projects.

Sunflower Electric Power Corporation is a regional wholesale power supplier that owns and operates a 595 MW system of gas and coal-fired generating plants and a 1,200-mile transmission system for the needs of its six member cooperatives who serve 120,000 people spread throughout a 21,000 square mile area in western Kansas. Sunflower also provides power to regional utilities in western Kansas and in ten states.

